

## SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country(ies):	Republic of Guatemala
Name of Borrower(s):	Industrial DPR Funding Ltd., a limited liability exempted company incorporated under the laws of the Cayman Islands.
Project Description:	The proceeds of the loan will be used to support the expansion of Banco Industrial's small-to-medium sized enterprise lending.
Proposed OPIC Loan:	Up to \$250 million for up to 12 years.
Total Project Costs:	Approximately \$333 million.
U.S. Sponsor:	Wells Fargo Bank, N.A.
Foreign Sponsor:	Banco Industrial, S.A. a financial services company organized and existing under the laws of the Republic of Guatemala.
<b>Policy Review</b>	
U.S. Economic Impact:	This project involves the securitization of asset flows to increase the availability of capital available for lending to local SMEs. The project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this project. The project will have a <i>negative</i> five-year U.S. balance of payments impact.
Developmental Effects:	This project is expected to have a positive developmental impact in Guatemala. The project will use a diversified payments rights (DPR) securitization to provide Banco Industrial a stable source of funds that will allow it to expand loans to SME borrowers, including those located in rural areas, with longer tenors and lower interest rates. Banco Industrial's ongoing DPR securitization operations are the first in the Guatemalan economy to use this financing structure to successfully tap into international capital markets. The bank has an innovative business approach focused on technology and access to points of service throughout the country to address the large credit gap that exists in Guatemala, where bank penetration is estimated by the World Bank to be only 39%.
Environment:	Loans to commercial banks for the purposes of SME lending are screened as Category C projects under OPIC's environmental and social policies, but are subject to conditions related to the use of proceeds. Excluded activities include lending to entities engaged in categorically prohibited activities or activities likely

	<p>to have a significant adverse impact on the environment.</p> <p>Banco Industrial has an environmental and social policy that will be used to guide the project and achieve sound and sustainable environmental and social performance. The Bank also has an appropriate grievance mechanism.</p>
Workers Rights:	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the rights of association, organization and collective bargaining. Loans to SME borrowers will be restricted with respect to the SME borrowers' operations, including employment of minors and other applicable labor law requirements. Standard and supplemental contract language will be applied to all workers of the project. The project will be required to operate in a manner consistent with the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions.</p>
Human Rights:	<p>OPIC issued a human rights clearance for the project on January 22, 2013.</p>